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## BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

n the Matter of:
Plover Post Office
Plover, IA 50573

Docket No. A2012-92

# UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (January 24, 2012)

On November 30, 2011, the Postal Regulatory Commission ("Commission") received an appeal postmarked November 19, 2011, filed by Darla Johnson, objecting to the discontinuance of the Post Office at Plover, Iowa.<sup>1</sup> On November 30, 2011, the Commission received a second appeal from Alan and Karen Minkler; on December 2, 2011, the Commission received a third appeal from Eugene B. Van Deest; and on December 6, 2011 the Commission received a fourth appeal from the Citizens of Plover (collectively, with Ms. Johnson, "Petitioners"). On December 29, 2011, the Commission issued Order No. 1080, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 1080, the administrative record was filed with the Commission on December 15, 2011.

The appeals raise three main issues: (1) the impact of the discontinuance on the provision of postal services to the Plover Community; (2) the impact of the discontinuance on the Plover community; and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious

<sup>&</sup>lt;sup>1</sup> This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,<sup>2</sup> the Postal Service gave consideration to a number of other issues, including the impact of the discontinuance upon postal employees. Accordingly, the determination to discontinue the Plover Post Office should be affirmed.

### **Background**

The Final Determination To Close the Plover Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD"),<sup>3</sup> as well as the administrative record, indicate that the Plover Post Office provides EAS-53 level service to 34 Post Office Box customers and no carrier delivery customers.<sup>4</sup> The postmaster of the Plover Post Office was promoted on March 29, 1997.<sup>5</sup> Since the postmaster vacancy arose, an officer-in-charge ("OIC") was installed to operate the office.<sup>6</sup> The noncareer postmaster relief ("PMR") serving as the OIC may be separated from the Postal Service; however, attempts will be made to reassign the OIC to a nearby facility.<sup>7</sup> The average number of daily retail window transactions at the Plover Post Office is five, accounting for six minutes of workload daily.<sup>8</sup> Revenue has declined: \$20,278 in FY 2008 (53)

<sup>&</sup>lt;sup>2</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>&</sup>lt;sup>3</sup> The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at \_\_\_\_," rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other items in the administrative record are referred to as "Item \_\_\_\_."

<sup>&</sup>lt;sup>4</sup> FD at 2; Item No. 18, Form 4920 - Post Office Closing or Consolidation Proposal Fact Sheet ("Post Office Fact Sheet") at 1; Item No. 41, Proposal to Close the Plover, IA Post Office and Establish Service by Rural Route Service (Revised) ("Revised Proposal") at 2.

<sup>&</sup>lt;sup>5</sup> FD at 2; Item No 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>6</sup> FD at 2; Item No 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>7</sup> FD at 10; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>8</sup> FD at 2; Item No. 9, Window Transaction Survey; Item No. 41, Revised Proposal at 2.

revenue units); \$18,900 in FY 2009 (49 revenue units); and \$18,224 in FY 2010 (48 revenue units).<sup>9</sup>

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route service under the administrative responsibility of the Pocahontas Post Office,<sup>10</sup> an EAS-18 level office located 13 miles away, which has 125 available post office boxes.<sup>11</sup> Retail services will also be available at the Havelock Post Office,<sup>12</sup> an EAS-11 level office located seven miles away, which has 100 available post office boxes.<sup>13</sup>

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Plover Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to Post Office Box customers of the Plover Post Office.<sup>14</sup> Questionnaires were also available over the counter for retail customers at Plover.<sup>15</sup> A letter from the

<sup>9</sup> FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>10</sup> The Pocahontas Post Office is not on the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1).

<sup>&</sup>lt;sup>11</sup> FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>12</sup> The Havelock Post Office is on the candidate list in the Retail Access Optimization Initiative (PRC Docket N2011-1).

<sup>&</sup>lt;sup>13</sup> FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>14</sup> FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Plover Post Office at 1; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 1. Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>15</sup> FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Plover Post Office at 1; Item No. 41, Revised Proposal at 2.

Manager of Post Office Operations, Cedar Rapids, Iowa, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Plover Post Office was warranted. The letter invited customers to express their opinions about the service they were receiving and the effects of a possible change in the way postal services are provided. The Fifteen customers returned questionnaires, and the Postal Service responded. In addition, representatives from the Postal Service were available at the Hope United Methodist Church for a community meeting on June 8, 2011 to answer questions and provide information to customers. Nineteen customers attended the meeting. Customers received formal notice of the Proposal and Final Determination through postings at the Plover, Pocahontas, and Havelock Post Offices. The Proposal was posted with an invitation for public comment at these Post Offices for 60 days, beginning on July 29, 2011. One comment was received in response to the "Invitation for Comments" after the proposal was posted, and the Postal Service responded.

<sup>&</sup>lt;sup>16</sup> Item No. 21, Cover Letter, Questionnaire, and Enclosures at 1.

<sup>&</sup>lt;sup>18</sup> FD at 2; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters; Item No. 23, Postal Service Customer Questionnaire Analysis at 1.

<sup>&</sup>lt;sup>19</sup> FD at 2; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>20</sup> FD at 2; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>21</sup> FD at 2; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>22</sup> FD at 2; Item No. 32, Invitation for Comments Exhibit (containing round-date stamped invitations); Item No. 33, Proposal Exhibit (containing round-date stamped proposal cover pages); Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>23</sup> Item No. 34, Comment Form Exhibit; Item No. 38, Customer Comments and Postal Service Response Letter; Item No. 40, Analysis of Comments.

was posted at the Plover, Pocahontas, and Havelock Post Offices starting on November 7, 2011, as confirmed by the round-date stamped Final Determination cover sheets that appear in the administrative record.<sup>24</sup>

The Postal Service issued the Final Determination in light of a postmaster vacancy; minimal workload; low and declining office revenue;<sup>25</sup> the variety of delivery and retail options (including the convenience of rural route delivery and retail service);<sup>26</sup> no projected population, residential, commercial, or business growth in the area;<sup>27</sup> minimal impact upon the community; and the expected financial savings.<sup>28</sup> Regular and effective postal services will continue to be provided to the Plover community in a cost-effective manner upon implementation of the final determination.<sup>29</sup>

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

#### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Plover Post Office on postal services provided to Plover customers. The closing is premised upon providing regular and effective postal services to Plover customers.

<sup>&</sup>lt;sup>24</sup> Item No. 49, Round-date Stamped Final Determination Cover Sheets at 1-2.

<sup>&</sup>lt;sup>25</sup> FD at 2; Item No. 18, Post Office Fact Sheet at 1; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>26</sup> FD at 9; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>27</sup> Item No. 16, Community Survey Sheet at 1.

<sup>&</sup>lt;sup>28</sup> FD at 8; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>29</sup> FD at 7; Item No. 41, Revised Proposal at 8.

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route service to mailboxes emanating from the Pocahontas Post Office. In addition to rural route delivery, which is the recommended alternate service, customers may also receive postal services at the Pocahontas Post Office, which is located 13 miles away. The window service hours of the Pocahontas Post Office are from 8:00 a.m. to 4:30 p.m., Monday through Friday. Retail services will also be available at the Havelock Post Office, which is located seven miles away. The window service hours of the Havelock Post Office are from 7:30 a.m. to 11:30 a.m. and 1:00 p.m. to 5:00 p.m., Monday through Friday and from 7:45 a.m. to 9:45 a.m. on Saturday.

The Petitioners raise the issue of the effect of the Plover Post Office's closing on the provision of postal services, noting the convenience of the Plover Post Office and requesting its retention. Specifically, the Petitioners contend that (1) the distance to Pocahontas creates service problems for local businesses, including the local library; (2) the distance to Pocahontas creates service problems for elderly citizens;<sup>34</sup> (3) rural route delivery creates logistical problems in obtaining certain services, including the sending and receipt of accountable mail;<sup>35</sup> and (4) that roadside mailboxes and CBUs

<sup>&</sup>lt;sup>30</sup> FD at 2; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>31</sup> FD at 2; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>32</sup> FD at 2; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>33</sup> FD at 2: Item No. 41. Revised Proposal at 2.

<sup>&</sup>lt;sup>34</sup> Nov.30, 2011 Appeal from D. Johnson at 1; Nov. 30, 2011 Appeal from A. and K. Minkler at 2; Dec. 2, 2011 Appeal from W. Van Deest at 1.

<sup>&</sup>lt;sup>35</sup> Nov.30, 2011 Appeal from D. Johnson at 1; Dec. 6, 2011 Appeal from Citizens of Plover at 1.

create maintenance and safety problems.<sup>36</sup> These concerns, among many others, were considered by the Postal Service.<sup>37</sup>

With respect to the impact on services for local businesses, the Postal Service has considered the impact of closing the Plover Post Office upon the provision of postal services to all Plover customers.<sup>38</sup> Rural route service to mailboxes installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office for most services.<sup>39</sup> As explained throughout the administrative record, carriers can perform many functions (at the same time that the carrier delivers the mail) that will prevent any need to go to a Post Office.<sup>40</sup> Therefore, local businesses will still have access to regular and effective postal services.

With respect to Petitioners' concerns for senior citizens and residents unable to drive to nearby communities, the record explains that carrier service is especially beneficial to many senior citizens and those who face special challenges. This is because the carrier can provide delivery and retail services, eliminating the need for customers to make a special trip to the Post Office for service. When packages do not fit in the customers' mail box, the carrier will deliver the package up to ½ mile off the line

<sup>&</sup>lt;sup>36</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 2.

<sup>&</sup>lt;sup>37</sup> See, e.g., FD at 2-7; Item No. 23, Analysis of Questionnaires at 2-4; Item No. 25, Community Meeting Analysis at 1-2; Item No. 41, Revised Proposal at 2-7.

<sup>&</sup>lt;sup>38</sup> See, e.g., FD at 2-7; Item No. 23, Analysis of Questionnaires at 2-4; Item No. 25, Community Meeting Analysis at 1-2; Item No. 41, Revised Proposal at 2-7.

<sup>&</sup>lt;sup>39</sup> FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>40</sup> FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>41</sup> FD at 4; Item No. 23, Analysis of Questionnaires at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>42</sup> FD at 4; Item No. 23, Analysis of Questionnaires at 4; Item No. 41, Revised Proposal at 4.

of travel, at a designated place, such as the customer's porch or under carport.<sup>43</sup> In hardship cases, delivery can be made to the home of a customer.<sup>44</sup>

The Petitioners also express concern regarding the availability of services to customers who do no have internet access. Of course, services are also available for those customers who do not have computers. Stamps by Mail and Money Order Application forms are also available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24. Customers can also request special services, such as certified, registered, or Express mail, delivery confirmation, signature confirmation, and COD from the carrier. Customers who desire such special services may obtain them from the carrier, who will estimate cost, provide a receipt, and bring change or a bill for the remaining amount the next delivery day (or the customer may leave a note with the appropriate payment and the carrier will leave a receipt the next day).

With respect to Petitioners' concerns regarding the logistics in obtaining certain services from rural carriers, the Postal Service explained that customers will be able to obtain stamps, money orders, and special services such as certified, registered,

<sup>&</sup>lt;sup>43</sup> FD at 2; Item No. 23, Analysis of Questionnaires at 2; Item No. 41, Revised Proposal at 2.

<sup>&</sup>lt;sup>44</sup> FD at 4: Item No. 23, Analysis of Questionnaires at 4: Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>45</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 1-2.

<sup>&</sup>lt;sup>46</sup> FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>47</sup> FD at 5-6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>48</sup> FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 4; Item No. 41, Revised Proposal at 6.

Express Mail, delivery confirmation, signature confirmation, and COD services.<sup>49</sup>
Contrary to Petitioners' assertions that it will be inconvenient to do so, customer convenience may be enhanced because the provision of rural carrier service will alleviate the need for customers to travel to the Post Office for many retail services and will provide them with 24-hour access to their mail.

With respect to Petitioners' specific concerns about the sending and receipt of accountable mail, the Postal Service explained that if a customer lives less than one-half mile from the line of travel, the carrier will attempt delivery of accountable items to the customer's residence.<sup>50</sup> If the customer lives over one-half mile away or is not home when delivery is attempted, a notice will be left in the mailbox.<sup>51</sup> Attempted delivery items will be taken back to the administrative Post Office.<sup>52</sup> Customers may pick up the item at the Post Office or request redelivery on another day.<sup>53</sup>

With respect to Petitioners' specific concerns about purchasing money orders, the Postal Service has informed Petitioners and others that customers may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money order, plus the fee.<sup>54</sup> The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt

<sup>&</sup>lt;sup>49</sup> Nov.30, 2011 Appeal from D. Johnson at 1; Dec. 6, 2011 Appeal from Citizens of Plover at 1.

 $<sup>^{\</sup>rm 50}$  FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>51</sup> FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>52</sup> FD at 4: Item No. 41. Revised Proposal at 4.

<sup>&</sup>lt;sup>53</sup> FD at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>54</sup> FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 4; Item No. 41, Revised Proposal at 4.

in the customer's mailbox on the next delivery day.<sup>55</sup> Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day.<sup>56</sup>

With respect to Petitioners' concerns regarding the safety and maintenance of roadside mailboxes, the Postal Service notes that safety of customer access is routinely considered in connection with curbside delivery. Specifically, Postal Operations Manual § 631.32 provides that "[d]elivery may be provided to boxes at the curb so they can be safely and conveniently served by the carrier from the carrier's vehicle, and so that customers have reasonable and safe access. Mail receptacles may be grouped, two to a property line where possible." Additionally, Postal Operations Manual § 631.441 provides that: "CBUs may be approved for use at one or more central delivery points in a residential housing community. The local postal manager must approve the mailbox sites and type of equipment. Boxes must be safely located so that customers are not required to travel an unreasonable distance to obtain their mail." Additionally, the Postal Service explained that CBUs are designed to ensure that they are protected against inclement weather and other extreme conditions.

 $<sup>^{55}</sup>$  FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>56</sup> FD at 6; Item No. 21, Cover Letter, Questionnaire, and Enclosures at 4; Item No. 41, Revised Proposal at 4.

<sup>&</sup>lt;sup>57</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 2.

<sup>&</sup>lt;sup>58</sup> FD at 5; Item No. 41, Revised Proposal at 5.

Thus, the Postal Service has properly concluded that all Plover customers will continue to receive regular and effective service via rural route delivery to mailboxes on the carrier's line of travel.

## **Effect Upon the Plover Community**

The Postal Service is obligated to consider the effect of its decision to close the Plover Post Office upon the Plover community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Plover is an incorporated community located in Pocahontas County.<sup>59</sup> The community is administered politically by a mayor and city council.<sup>60</sup> Police protection is provided by the Pocahontas County Sheriff.<sup>61</sup> Fire protection is provided by the Plover Fire Department.<sup>62</sup> The questionnaires completed by Plover customers indicate that, in general, the retirees, commuters, and others who reside in Plover must travel elsewhere for other supplies and services.<sup>63</sup>

As documented in the record, the Postal Service considered issues regarding the effect of its decision to close the Plover Post Office upon the Plover community.

Communities generally require regular and effective postal services and these will

<sup>&</sup>lt;sup>59</sup> FD at 7; Item No. 16, Community Survey Sheet at 1; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>60</sup> FD at 7; Item No. 16, Community Survey Sheet at 1; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>61</sup> FD at 7; Item No. 16, Community Survey Sheet at 1; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>62</sup> FD at 7; Item No. 16, Community Survey Sheet at 1; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>63</sup> See generally Item No, 22, Returned Customer Questionnaires and Postal Service Response Letters.

continue to be provided to the Plover community. The Postal Service has concluded that nonpostal services provided by the Plover Post Office can be provided by the Pocahontas Post Office.<sup>64</sup> Government forms usually provided by the Post Office are also available by contacting local government agencies.<sup>65</sup>

The Petitioners were concerned about the loss of personal attention from the Plover Post Office, <sup>66</sup> the loss of a community meeting place, <sup>67</sup> and the potential detrimental effect on future community growth. <sup>68</sup> The Postal Service considered each of these concerns. First, the Administrative Record makes clear that customers will receive similar levels of attention from the nearby post offices and from the rural route carrier. Second, the Postal Service also noted that the closing of Plover Post Office will not leave residents without a place to meet. <sup>69</sup> Residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in the community-at-large. <sup>70</sup> For example, if delivery service is provided to CBUs at City Hall, City Hall may provide a gathering place and a location for posting public notices. <sup>71</sup>

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<sup>&</sup>lt;sup>64</sup> FD at 7; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>65</sup> FD at 7; Item No. 41, Revised Proposal at 8.

<sup>&</sup>lt;sup>66</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 1, 3.

<sup>&</sup>lt;sup>67</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 1; Nov.30, 2011 Appeal from D. Johnson at 1; Dec. 2, 2011 Appeal from W. Van Deest at 1.

<sup>&</sup>lt;sup>68</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 4.

<sup>&</sup>lt;sup>69</sup> FD at 7-8; Item No. 23, Analysis of Questionnaires at 5; Item No. 25, Community Meeting Analysis at 2; Item No. 41, Revised Proposal at 8-9.

<sup>&</sup>lt;sup>70</sup> FD at 7-8; Item No. 23, Analysis of Questionnaires at 5; Item No. 25, Community Meeting Analysis at 2; Item No. 41, Revised Proposal at 8-9.

<sup>&</sup>lt;sup>71</sup> Item No. 15, Post Office Survey Sheet at 2.

Finally, Petitioners claim that local businesses are expanding and that young families have recently moved to Plover, and are concerned that closing the Post Office will have a detrimental effect on that growth.<sup>72</sup> However, the Administrative Record indicates that there is no population, residential, commercial, or business growth expected in the community.<sup>73</sup> Petitioners have not presented community-specific data that contradict those in the Administrative Record or data to support an assumption that population or economic trends will reverse themselves dramatically in the short or long term.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Plover Post Office on the community served by the Plover Post Office.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Plover Post Office and would still provide regular and effective service.<sup>74</sup> The estimated annual savings associated with discontinuing the Plover Post Office are \$11,734.00.<sup>75</sup> Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required

<sup>&</sup>lt;sup>72</sup> Nov. 30, 2011 Appeal from A. and K. Minkler at 4.

<sup>&</sup>lt;sup>73</sup> Item No. 16, Community Survey Sheet at 1.

<sup>&</sup>lt;sup>74</sup> FD at 8; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>75</sup> FD at 8; Item No. 41, Revised Proposal at 10.

for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).<sup>76</sup>

Petitioners argue that the cost of maintaining the Plover Post Office is relatively small considering the low rent of the facility and the noncareer PMR's salary. While the savings may seem insignificant to Petitioners, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is looking at all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may seem small, these savings can make a difference when added together.

Additionally, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over the past years does not mean that it could count on those savings annually in the future. If the Plover Post Office closes, one career slot will be eliminated. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.

Petitioners also suggest alternate strategies that might reduce costs for the Plover Post Office. <sup>78</sup> These strategies include reducing the hours or days that the facility is open. <sup>79</sup> The Postal Service has broad experience with similar options. In fact,

<sup>&</sup>lt;sup>76</sup> See, e.g., FD at 8; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>77</sup> Nov.30, 2011 Appeal from D. Johnson at 1; Dec. 6, 2011 Appeal from Citizens of Plover at 1.

<sup>&</sup>lt;sup>78</sup> Dec. 2, 2011 Appeal from W. Van Deest at 1.

<sup>&</sup>lt;sup>79</sup> *Id*.

the Postal Service has considered implementing many cost-reduction alternative options on a nationwide basis, such as the issues raised with service changes in Docket No. N2012-1. However, the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Plover community. In this case, the Postal Service determined that rural route carrier service is more cost-effective than maintaining the Plover postal facility and postmaster position.<sup>80</sup>

The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent.<sup>81</sup>

## Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster of the Plover Post Office was promoted on March 29, 1997. Since the postmaster vacancy arose, an OIC was installed to operate the office. The PMR serving as the OIC may be separated from the Postal Service; however, attempts will be made to reassign the OIC to a nearby facility. Further, the record shows that no other Postal Service employee will be adversely affected. Therefore, in making the

<sup>&</sup>lt;sup>80</sup> See, e.g., FD at 8; Item No. 41, Revised Proposal at 10.

<sup>81</sup> See 39 U.S.C. § 404(d)(2)(A)(iv).

<sup>&</sup>lt;sup>82</sup> FD at 2; Item No. 41, Revised Proposal at 2.

 $<sup>^{83}</sup>$  FD at 2; Item No. 41, Revised Proposal at 2

<sup>&</sup>lt;sup>84</sup> FD at 9; Item No. 41, Revised Proposal at 10.

<sup>&</sup>lt;sup>85</sup> FD at 9; Item No. 41, Revised Proposal at 10.

determination, the Postal Service considered the effect of the closing on the employees at the Plover Post Office, consistent with its statutory obligations.<sup>86</sup>

#### Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Plover Post Office on the provision of postal services and on the Plover community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Plover customers. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Plover Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Plover Post Office be affirmed.

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<sup>86</sup> See 39 U.S.C. § 404(d)(2)(A)(ii).

Respectfully submitted,

# **UNITED STATES POSTAL SERVICE**

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